

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE PROPOSED TARIFF FILING OF)	
THACKER-GRIGSBY TELEPHONE)	CASE NO.
COMPANY, INC. FOR PROPOSED AREA)	95-008
CALLING SERVICE)	

O R D E R

On November 1, 1994, Thacker-Grigsby Telephone Company, Inc. ("Thacker-Grigsby") filed a tariff to introduce an area calling service ("ACS"). This proposed tariff was filed in conjunction with the proposed ACS tariff of South Central Bell Telephone Company ("South Central Bell"), Case No. 94-414.¹

The ACS tariff contains two options. For a monthly flat rate, premium ACS service customers may call an extended local calling area with no additional charges. Customers choosing the basic ACS service pay a monthly flat rate and per-minute-of-use-charges for calling into the extended local calling area. Customers not selecting either ACS option will maintain their current flat rate service in the existing local calling area and will continue to be charged for calls to the extended calling area at tariffed toll rates. The ACS tariffed rates have been designed to be revenue neutral.

Long standing Commission policy holds that revenues obtained from one calling option may not be used to satisfy the revenue

¹ Case No. 94-414, The Proposed Tariff Filing of South Central Bell Telephone Company For Proposed Area Calling Service Expansion.

requirements of another option.² Problems may arise as a consequence of the different calling plans. Consumers retaining their existing service should not be required to pay increased access charges to cover the costs of the ACS options. Thacker-Grigsby should not later request a rate increase for the existing local calling area customers because of incorrect pricing of the ACS options or because incorrect pricing of the ACS options reduces the number of customers in the existing local calling area.

The Commission finds that Thacker-Grigsby's tariff proposal filed with the Commission on November 1, 1994 for ACS should be approved as of the date of this Order. Thacker-Grigsby should comply with all of the Commission's directives in South Central Bell's original ACS case.³

The Commission, having been otherwise sufficiently advised, HEREBY ORDERS that:

1. Thacker-Grigsby's tariff proposal for expanded ACS is approved for service on and after the date of this Order.
2. Thacker-Grigsby shall gather 12 months of Kentucky-specific data for this ACS as necessary to demonstrate the reasonableness and accuracy of the model forecast and calling option prices. Thacker-Grigsby shall file this information with

² See Administrative Case No. 285, An Investigation Into The Economic Feasibility Of Providing Local Measured Service Telephone Rates In Kentucky.

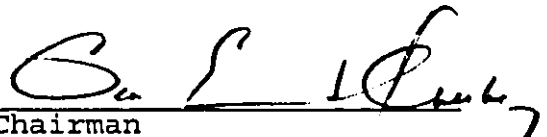
³ Case No. 91-250, South Central Bell Telephone Company's Proposed Area Calling Service Tariff.

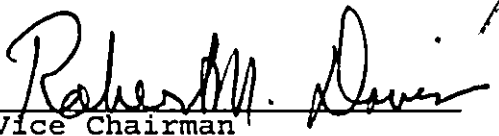
the Commission, within 15 months of the date of this Order, and submit any proposed changes to its ACS rates.


3. Thacker-Grigsby shall not request a rate increase for the existing local calling area customers because of incorrect pricing of premium ACS option or the basic ACS option.

Done at Frankfort, Kentucky, this 10th day of January, 1995.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director